

Staff Summary Report



Council Meeting Date: July 2, 2009

Agenda Item Number: _____

SUBJECT: This is the second public hearing for Ordinance 2009.26 authorizing the Mayor to execute an Assignment and Assumption of Leases on Units 1 and 2 of the Brickyard, and a Deed reconveying Units 1 and 2 to ASU.

DOCUMENT NAME: 20090702dscm01 **COMMUNITY DEVELOPMENT/REDEVELOPMENT ADM (0403-01)**
Ordinance #2009.26

COMMENTS: The attached Ordinance Authorizes the Mayor to execute documents necessary to effectuate the conveyance of the Leases and the Premises.

PREPARED BY: Chris Messer, Principal Planner (350-8562)

REVIEWED BY: Chris Salomone, Community Development Manager (350-2912)

LEGAL REVIEW BY: Cynthia McCoy, Assistant City Attorney (350-2187)

DEPARTMENT APPROVAL: Chris Salomone, Community Development Manager (350-2912)

FISCAL NOTE: n/a

RECOMMENDATION: Approve ordinance as submitted

ADDITIONAL INFO: In 1999, the City entered into a Development Agreement with MCW whereby the City would own title to Unit 1 (Brickyard parking garage) and Unit 2 (Brickyard office building, Artisan Court and the first floor of the Orchid house) of the Brickyard on Mill project. The City would then lease the property back to MCW as part of a GPLET agreement.

In 2004, ASUF Brickyard, LLC (a subsidiary of ASU Foundation) acquired the Leases for Unit 1 and 2, of the Brickyard on Mill and sub-leased the property to ASU. As permitted by the terms of the Unit 1 and Unit 2 Leases, ASUF Brickyard, LLC has requested that the City assign its interest as lessor under the Leases, and convey title to Units 1 and 2 to the Arizona Board of Regents on behalf of ASU. After the transfer ASU will continue to lease the property to ASUF Brickyard and ASUF Brickyard will continue to lease property to ASU.